

 Yukon Workers' Compensation Health and Safety Board	<b>Part:</b>	<b>Earnings Loss</b>		
	<b>Board Approval:</b>	Original Signed by Chair	<b>Effective Date:</b>	<b>July 1, 2019</b>
	<b>Number:</b>	<b>EL-03</b>	<b>Last Revised:</b>	
	<b>Board Order:</b>		<b>Review Date:</b>	

## **PAYMENT OF INTEREST ON COMPENSATION BENEFITS**

### **GENERAL INFORMATION**

Section 31 of the *Workers' Compensation Act*, S.Y. 2008, c. 12 (the "Act") requires Yukon Workers' Compensation Health and Safety Board's (YWCHSB) decision makers, hearing officers and the Workers' Compensation Appeal Tribunal (WCAT) to order the payment of interest on compensation benefits according to a Board of Directors' policy.

### **PURPOSE**

This policy outlines when an injured worker, spouse or dependent of a deceased worker may be entitled to interest on compensation benefits and how that interest is calculated.

### **DEFINITIONS**

1. **Prime rate:** the lowest rate of interest quoted by chartered banks to the most credit worthy borrowers for prime business loans, as determined and published by the Bank of Canada.

### **PREVENTION**

YWCHSB's decision makers contribute to preventing disabilities by providing timely decisions and compensation benefit payments. Workers, employers and service providers can also help to prevent disabilities by participating effectively in the claims process. When all parties provide timely and thorough reports and information, workers and dependents of deceased workers receive their compensation benefit payments on time and interest payments are not required.

### **POLICY STATEMENT**

#### **1. Interest on Compensation Benefits**

- a) Undue delay

## Payment of Interest on Compensation Benefits

- i. Interest will be payable to an injured worker on eligible compensation for loss of earnings that has been unduly delayed because of circumstances over which YWCHSB has control; and
  - ii. Interest will be payable to a spouse or dependent of a deceased worker on amounts they are eligible for under Part 7 of the Act that are unduly delayed because of circumstances over which YWCHSB has control.
- b) Hearing officer review and WCAT appeal decisions
- i. Interest will be payable to an injured worker following a decision by a hearing officer or the WCAT on a retroactive award of compensation for loss of earnings; and
  - ii. Interest will be payable to a spouse or dependant of a deceased worker following a decision by a hearing officer or the WCAT on retroactive awards of benefits payable to a spouse or dependent of a deceased worker under Part 7 of the Act.
- c) Reimbursements of eligible health care assistance benefits

Interest will be payable on reimbursements of expenditures made on eligible health care assistance benefits including, but not limited to, medical treatment, prescriptions, massage therapy, occupational therapy, physiotherapy, and travel expenses incurred to receive medical treatment. These benefits must be determined by YWCHSB to be eligible and must be supported by receipts.

- d) Permanent impairment awards

Interest is not payable, for any reason, on delays or retroactive awards on permanent impairment awards.

## 2. Calculation of Interest

- a) Interest will be calculated as simple interest at a rate equal to the prime rate.
- b) Interest payments calculated at any time during a calendar year must be calculated at the prime rate in effect as at January 1 of that calendar year.
- c) When interest is calculated on amounts owing from more than one calendar year, the applicable prime rate is the rate as at January 1 of the year in which the payment is actually made.

For example, if interest is calculated and paid on March 1, 2019, on a lump sum for loss of earnings benefits for the period November 1, 2018, to February 28,

## Payment of Interest on Compensation Benefits

2019, the prime rate applied to the interest calculation is the prime rate as at January 1, 2019.

### d) Interest Period

- i. *Undue delay*: for interest payments paid under section 1(a), interest will be calculated from the 30th day following the date of entitlement up to the day the compensation benefit in question is paid.
- ii. *Hearing officer review and WCAT appeal decisions*: for interest payments made under section 1(b), interest will be calculated from the date of entitlement up to the day the compensation benefit in question is paid.
- iii. *Reimbursement of eligible health care assistance benefits*: for interest payments made under section 1(c) for reimbursements for eligible health care assistance benefits, interest will be calculated from the 30th day following the date the injured worker submitted receipts to YWCHSB to claim the expense up to the day the reimbursement payment is made.

### 3. Impact on Employers

The cost of interest awarded under this policy will not be charged against the claims costs experience account of the employer.

#### APPLICATION

No interest is payable on any claim registered before April 1, 2000.

This policy applies to workers whose work-related injury occurs on or after the effective date of this policy.

The provisions of this policy also apply to decisions made on or after the effective date of this policy on existing claims, where the work-related injury occurred on or after April 1, 2000.

Employers, service providers and other third parties are not eligible to receive interest payments under this policy.

#### EXCEPTIONAL CIRCUMSTANCES

When the circumstances of a case are such that this policy cannot be applied or doing so would bring an unfair or unintended result, YWCHSB will decide the case based on YWCHSB policy EN-02, "Merits and Justice of the Case." Such a decision will be for that case only and will not be precedent setting.

## **APPEALS**

Workers, the dependent(s) of a deceased worker, and employers may request a hearing officer to review a YWCHSB decision made under this policy, as provided by subsection 53(1) of the Act. They may appeal hearing officer decisions to the Workers' Compensation Appeal Tribunal, under section 54(1) of the Act. Requests for review and notices of appeal must be filed within 24 months of the date of the decision being reviewed or appealed, in accordance with section 52 of the Act.

## **ACT REFERENCES**

Sections 31, 52, 53 and 54

## **POLICY REFERENCES**

EN-02, "Merits and Justice of the Case"

## **HISTORY**

EL-03, "Payment of Interest on Compensation Benefits", effective July 1, 2008, revoked July 1, 2019.

CL-52, "Payment of Interest on Compensation Benefits", effective April 1, 2000, revoked July 1, 2008.